

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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In the Matter of:

THE APPLICATION OF GRAYSON)
RURAL ELECTRIC COOPERATIVE CORPORATION)
FOR AN ORDER AUTHORIZING A PASS-) CASE NO. 8708
THROUGH OF EAST KENTUCKY POWER WHOLE-)
SALE POWER RATE INCREASE IN)
CASE NO. 8648)

O R D E R

Grayson Rural Electric Cooperative Corporation ("Applicant") filed its application to flow through any increase in rates granted its wholesale power supplier, East Kentucky Power Cooperative, Inc., ("East Kentucky") in Case No. 8648. Applicant is one of 18 member distribution cooperatives of East Kentucky. In Case No. 8648, East Kentucky requested an increase in revenue of approximately \$31,176,207. Of this total increase, Applicant would experience an increase in power costs of approximately \$931,136, which represents 2.99 percent of the proposed East Kentucky increase and would result in an overall increase to Applicant's consumers of approximately 14.4 percent.

On November 12, 1982, the 18 distribution cooperatives of East Kentucky filed a motion requesting that they be permitted to deviate from the Commission's rules regarding tariffs and to flow through the increase by use of a proposed procedure for pass-through of the wholesale rate increase ("proposed procedure"). In its Order of November 19, 1982, the Commission

authorized Applicant to deviate from the rules on tariffs and approved the utilization of the proposed procedure.

The Commission, having considered the evidence of record and being advised, is of the opinion and finds that:

(1) The actual increase allowed East Kentucky in Case No. 8648 is \$18,849,182 which will result in an increase in power costs to Applicant of \$563,067.

(2) Applicant's financial condition would be materially impaired if it were not allowed to recover the increased wholesale power costs allowed in Case No. 8648.

(3) The revised rates and charges in Appendix A are designed to reflect only the increased power costs from East Kentucky allowed in the final Order in Case No. 8648.

(4) The flow-through of the wholesale power costs will not result in any additional net margin to Applicant.

IT IS THEREFORE ORDERED that Grayson Rural Electric Cooperative Corporation be and it hereby is authorized to flow through the increased power costs resulting from the rate increase granted its wholesale power supplier, East Kentucky Power Cooperative, Inc., in Case No. 8648.

IT IS FURTHER ORDERED that the rates in Appendix A shall be placed into effect on the effective date of the East Kentucky wholesale power increase.

IT IS FURTHER ORDERED that Grayson Rural Electric Cooperative Corporation shall, within 20 days from the date of this Order, file its revised tariff sheets setting out the rates and charges approved herein.

Len Shuell
Chairman

Katharine Lundall
Vice Chairman

Len Langan
Commissioner

ATTEST:

Secretary

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 8708 DATED APRIL 1, 1983

The following rates and charges are prescribed for the customers in the area served by Grayson Rural Electric Cooperative Corporation. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of this Commission prior to the date of this Order.

SCHEDULE 1* DOMESTIC-FARM & HOME SERVICE, PUBLIC BUILDINGS, SCHOOLS, CHURCHES, ETC. COMMERCIAL & SMALL POWER 0 - 49 KVA

Rates:

Customer Charge Per Month	\$6.89
Energy Charge	.05799 per KWH

SCHEDULE 4 LARGE POWER SERVICE 50 - 600 KW*

Rates:

Demand Charge

\$5.39 per Month per KW of Billing Demand

Customer Charge per Month	\$52.83
Energy Charge	.04502 per KWH

SCHEDULE 5
STREET LIGHTING SERVICE*

Base Rate per light per Year:

For dusk to dawn lighting with lights mounted on existing wooden poles with bracket attachments and connected to existing overhead secondary circuits. The Cooperative shall furnish and install wooden pole and secondary extension if required for street lights, within 200 feet of the existing secondary circuits.

For the following monthly charges the Cooperative will furnish, install and maintain the lighting fixtures and accessories including pole, hardware, control, lamps, overhead wiring, etc.; and the energy required.

<u>Lamp Size</u>	<u>Mercury Vapor Lamps</u>	<u>Annual Charge Per Lamp</u>
175 Watt	\$5.65	\$67.80

SCHEDULE 6
OUTDOOR LIGHTING SERVICE - SECURITY LIGHTS*

Rate Per Light Per Month:

175 Watt Mercury Vapor Lamp	\$5.65
250 Watt Mercury Vapor Lamp	7.51

SCHEDULE 7
ALL ELECTRIC SCHOOLS (A.E.S.)*

Rates:

All KWH	\$.06328
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SCHEDULE 8
SEASONAL SERVICES - SERVICES ACTIVE LESS THAN NINE (9)
MONTHS OUT OF A YEAR

Rates:

Customer Charge Per Month	\$8.45
Energy Charge	.07514 per KWH

*Fuel Clause Adjustment

All rates are applicable to the Fuel Adjustment Clause and may be increased or decreased by an amount per KWH equal to the fuel adjustment amount per KWH as billed by the Wholesale Power Supplier plus an allowance for line losses. The allowance for line losses will not exceed 10% and is based on a twelve-month moving average of such losses. This Fuel Clause is subject to all other applicable provisions as set out in 807 KAR 5:056.